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## HEARING

BEFORE THE

### COMMITTEE ON

## INTERIOR AND INSULAR AFFAIRS

### UNITED STATES SENATE

NINETIETH CONGRESS

SECOND SESSION

ON

THE NOMINATION OF JOHN F. O'LEARY TO  
BE DIRECTOR OF THE BUREAU OF MINES

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OCTOBER 9, 1968



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## NOMINATION OF JOHN F. O'LEARY TO BE DIRECTOR OF THE BUREAU OF MINES

WEDNESDAY, OCTOBER 9, 1968

U.S. SENATE,  
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,  
*Washington, D.C.*

The committee met, pursuant to call, at 2 p.m., in room 3110, New Senate Office Building, Senator Clinton P. Anderson presiding.

Present: Senators Clinton P. Anderson (New Mexico), Frank E. Moss (Utah), Carl Hayden (Arizona), Thomas H. Kuchel (California), and Paul J. Fannin (Arizona).

Also present: Jerry T. Verkler, staff director; Stewart French, chief counsel; James H. Gamble, professional staff member; and E. Lewis Reid, minority counsel.

Senator ANDERSON. This is an open, public hearing by the Senate Committee on Interior and Insular Affairs on the nomination by President Johnson of John F. O'Leary to be Director of the Bureau of Mines.

The biographical sketch of this distinguished public servant has been printed in the Congressional Record. But, without objection, I will direct that it be made a part of this hearing as well.

(The document referred to follows:)

### JOHN F. O'LEARY

Born June 23, 1926, Reno, Nevada. Educated in public schools in Nevada and California. Graduated from Central High School in Washington, D.C. Entered U.S. Army 1945—discharged with rating of Corporal in 1946. Received A.B. degree in economics from George Washington University, Washington, D.C., in 1950. Continued graduate work in economics part time 1950-53. Joined staff of the Bureau of Mines in 1950. In 1952, became member of staff of Division of Minerals and Fuels, Office of the Secretary of the Interior, as Specialist in Minerals and Metals. In 1953, became staff member of Office of the Assistant Secretary—Mineral Resources, serving as Specialist in Minerals and Fuels Economics. In 1959, appointed Staff Assistant to the Assistant Secretary—Mineral Resources in the capacity of senior adviser on mineral and fuel programs of the Department of the Interior.

Appointed Special Assistant to the Assistant Secretary—Mineral Resources in June 1962, and appointed Deputy Assistant Secretary—Mineral Resources in March 1963. In that position, assisted in supervision of programs conducted by the Bureau of Mines, U.S. Geological Survey, and five other offices in the Department of the Interior, and served as a principal adviser to the Secretary of the Interior on domestic and international fuels and minerals matters.

On termination of employment with Interior—to join FPC—was awarded the Department's distinguished service award.

Appointed to present position of Chief, Bureau of Natural Gas, Federal Power Commission, March 20, 1967. Position involves responsibility for staff work related to processing of applications for certificates of public convenience and necessity for construction and operation of interstate pipelines and for providing staff

work necessary to establishment of rates for sales for resale of natural gas in interstate commerce, including sales by producers to pipelines.

A more detailed résumé of work experience is attached.

CHIEF, BUREAU OF NATURAL GAS, FEDERAL POWER COMMISSION  
(GS-18, \$27,055-\$28,000)

*March 20, 1967, to Present.*—Duties include development of capability within the Bureau of Natural Gas for analysis of complex regulatory issues relating to public utility rates and service of the producing and transmission industries. Position involves direction of activities of highly specialized experts in various fields of natural gas regulation. In addition to program development and supervisory activities, incumbent serves as principal adviser and consultant to the Federal Power Commission with respect to natural gas matters, including their relationship to the alternative energy resources and to the national economy.

DEPUTY ASSISTANT SECRETARY, MINERAL RESOURCES, U.S. DEPARTMENT OF THE INTERIOR (GS-17, \$18,000-\$25,080)

*June 1962 to March 1967.*—Served as Deputy Assistant Secretary—Mineral Resources in discharging duties of the Secretary with respect to the development and utilization of minerals and fuels, including Defense Minerals activities, and assisted in exercise of Secretarial direction and supervision over the Bureau of Mines, Geological Survey, Office of Minerals and Solid Fuels, Office of Oil and Gas, Oil Import Administration, and Office of Coal Research. In this position, took substantive responsibility for formulation and implementation of programs related to international petroleum relationships of the U.S., Federal oil shale development, oil import controls, Outer Continental Shelf leasing policy, coal export policy, formulation of Energy R & D programs within the Department, and related matters.

STAFF ASSISTANT TO ASSISTANT SECRETARY, MINERAL RESOURCES, U.S. DEPARTMENT OF THE INTERIOR (GS-15/16, \$11,355-\$13,750)

*May 1960 to June 1962.*—Advised and assisted the Assistant Secretary for Mineral Resources in formulation of policies and supervision of activities under his direction. Responsible especially for staff studies and recommendations regarding petroleum and fuel programs under the Department, and for programs relating to domestic minerals.

STAFF ANALYST, OFFICE OF ASSISTANT SECRETARY, MINERAL RESOURCES, U.S. DEPARTMENT OF THE INTERIOR (GS-13, \$9,890)

*May 1959 to May 1960.*—Served as staff economist of the Office of the Assistant Secretary for Mineral Resources with responsibility for economic studies of all phases of minerals and fuels work of the Department.

BUSINESS ECONOMIST, OFFICE OF ASSISTANT SECRETARY, MINERAL RESOURCES, U.S. DEPARTMENT OF THE INTERIOR (GS-9/12, \$5,060-\$8,570)

*June 1953 to May 1959.*—Participation in and contribution to formulation of plans for special studies and investigations. Performed independent research to be used in development, coordination and review of the mineral resource programs of the Department. Work involved organization, analysis and interpretation of complex and detailed data relating to production, costs, marketing, distribution and consumption, both domestic and foreign, of products of the minerals and metals producing and processing industries.

RESEARCH ASSISTANT, OFFICE OF MINERALS AND FUELS, OFFICE OF THE SECRETARY, U.S. DEPARTMENT OF THE INTERIOR (GS-7, \$4,205)

*June 1952 to June 1953.*—Assignments included the performance of economic research for use of Staff Specialists in the development of programs of the Department; drafting reports summarizing available information and commenting on its significance; analysis of statistical reports, and related activities.

JUNIOR MANAGEMENT ASSISTANT, U.S. BUREAU OF MINES, DEPARTMENT OF THE INTERIOR (GS-6/7, \$3,450-\$4,205)

*June 1951 to June 1952.*—As an intern in the Department's third Management Training Program, received a variety of assignments whereby a knowledge of the impact upon the civilian economy of the Department's programs could be outlined.

COMMODITY INDUSTRY ANALYST, U.S. BUREAU OF MINES, DEPARTMENT OF THE INTERIOR (GS-5, \$3,100)

*July 1950 to June 1951.*—Work included responsibility for economic phases of an exhaustive study of the zinc industry, prepared by U.S. Bureau of Mines, for the National Security Resources Board. In addition, familiarity with application of a variety of economic techniques was gained through several months spent in Bureau's Base Metals Branch.

Senator ANDERSON. On behalf of the committee I welcome Mr. O'Leary and assure him of our interest in his selection and the highly important services he is called upon to render. Adequate supplies of minerals are basic to our security and economic development, and the Director of the Bureau of Mines has a primary responsibility to insure that supplies of minerals are available to us.

I should state that I am acting as chairman in the absence of Senator Jackson, who is necessarily out of the city.

The Honorable Kenneth Holum, Assistant Secretary of the Interior, is with us today to introduce Mr. O'Leary.

Mr. Secretary.

STATEMENT OF KENNETH HOLUM, ASSISTANT SECRETARY OF THE INTERIOR

Mr. HOLUM. Thank you, Mr. Chairman and members of the committee.

I have an unusual privilege this afternoon that I know would not have fallen my way except for the fact that Secretary Udall and my colleague, Assistant Secretary Moore, are out of the city. So it is my privilege to come before you this afternoon to introduce to you, although I know he needs no introduction, Jack O'Leary, the President's nominee to be the Director of the Bureau of Mines.

I know that Secretary Udall would have been here if he had been in the city. I know that he would have expressed to you his particular satisfaction, because he has expressed it so often in the Department that the Bureau employees of our Department have an opportunity to assume new and higher responsibilities.

Speaking personally, I have, of course, known Jack O'Leary for the 8 years that I have been with the Department, as a special assistant to the Assistant Secretary for Mines and Minerals and then as Deputy Assistant Secretary. We lost Mr. O'Leary to the Federal Power Commission, where he has been the Director of the Bureau of Natural Gas. We look forward very much to having him back in the Department in this important position of responsibility as Director of the Bureau of Mines.

I am sure that he is here and available to supply any information or answer any questions that the committee might require of him. I would just like to say on Secretary Udall's behalf that we appreciate very much the very prompt scheduling of this hearing this afternoon. We hope, of course, that it leads to early and favorable action.

Thank you very much, Mr. Chairman.

Senator ANDERSON. Mr. O'Leary, we have about four pages here of material. Have you seen this?

#### STATEMENT OF JOHN F. O'LEARY

Mr. O'LEARY. Yes; I have.

Senator ANDERSON. It is filed with the committee.

Senator KUCHEL?

Senator KUCHEL. Mr. O'Leary, how long has there been a vacancy in the directorship of the Bureau of Mines?

Mr. O'LEARY. The directorship, Senator Kuchel, became open in March of this year.

Senator KUCHEL. And were you to be confirmed, what would the duration of your employment be in that capacity?

Mr. O'LEARY. The duration of employment in that capacity, Senator, is indefinite. However, on a change of administration with a new President, inasmuch as you serve at the pleasure of the President, it is customary to offer a resignation.

Senator KUCHEL. What is the salary in this position?

Mr. O'LEARY. It is in the range of \$29,000 annually.

Senator KUCHEL. And in your own words would you tell the committee what your views of the responsibilities of the Director are?

Mr. O'LEARY. Senator, the Bureau of Mines and the Geological Survey, between them, are the principal mineral resource agencies of the Federal Government. The orientation of the Bureau of Mines is more toward the economic engineering than that of the Survey. The Survey provides the basic information on the resources, and the Bureau of Mines essentially is in the business of assisting in the conversion of those resources into live, viable factors within the economy. It is in the business of bringing these resources to bear on the economic growth of the country.

Senator KUCHEL. How many employees are there in the Bureau today?

Mr. O'LEARY. There are approximately 5,000. I am not quite up to date on that.

Senator KUCHEL. I don't mind saying to you, Mr. O'Leary, that it appears to me—and I don't have the pleasure of knowing you personally—that you are qualified by education and experience to perform the services of this directorship.

So far as I am concerned, Mr. Chairman, I have no hesitation in saying that I will approve of this nomination subsequently in this committee.

Senator ANDERSON. Thank you, Senator Kuchel.

Senator MOSS?

Senator MOSS. Thank you, Mr. Chairman.

Mr. O'Leary, you have been serving now for some time in the Federal service. Since what? About 1950?

Mr. O'LEARY. Since 1950, Senator.

Senator MOSS. And you have a civil service rating and status, is that right?

Mr. O'LEARY. I entered the civil service as a GS-5 back in 1950 and went through the ladder of promotion until I became a schedule C in 1962. And during the period from 1950 until 1962 I was in the regular civil service.

Senator MOSS. And did your changing to a schedule C require you to give up any of the benefits of a regular civil service status?

Mr. O'LEARY. It required me to give up the benefits of tenure.

Senator MOSS. Of tenure.

Mr. O'LEARY. I then served in the position which I occupied as a schedule C at the pleasure of the Secretary of the Interior. I had reversionary rights into the position that I had occupied prior to that position.

Senator MOSS. In other words, should action be taken to terminate your current appointment, you would revert back to the highest position you held under the classified civil service status?

Mr. O'LEARY. I assume that still to be true now. It was true while I was with the Department of the Interior.

Senator MOSS. I see. You have currently been with the Federal Power Commission, working with the Natural Gas Bureau?

Mr. O'LEARY. I have been the Chief of the Bureau of Natural Gas for the past 19 months.

Senator MOSS. Now, by way of background, is your background more in the field of mineral resources, or more in the field of natural gas?

Mr. O'LEARY. My background has been extensively in the field of mineral resources. I did work as a mineral economist for approximately 10 years, working the full range of minerals. In recent years I have worked more on the fuels side, but it has been essentially the whole gamut of fuels. And even though the direct responsibilities of my current position deal with natural gas, I am required to take into account the impact of natural gas on the other energy resources.

Senator MOSS. But your experience is more in the field of the economy and supply rather than technical matters of minerals and fuels, is that right?

Mr. O'LEARY. No; my experience has dealt extensively with the technical side. I have had from the period 1962 until I left the Department in 1967 a good deal of responsibility with the Assistant Secretary for Mineral Resources for the development of the technical programs of the Bureau of Mines.

Senator MOSS. And you are acquainted with the personnel in the Bureau of Mines now? You are quite well acquainted with them, are you?

Mr. O'LEARY. Yes; I have the sort of acquaintance that you develop over many years of close association with an organization. Of course, the interruption of the past 18 months means that I am not quite current with the personnel in the Bureau.

Senator MOSS. You feel there wouldn't be any serious transition problem of moving back into that area?

Mr. O'LEARY. So far as I am concerned, certainly not, Senator.

Senator MOSS. Thank you, Mr. Chairman.

Senator ANDERSON. Senator Hayden?

Senator HAYDEN. No questions.

Senator ANDERSON. Senator Fannin?

Senator FANNIN. Thank you, Mr. Chairman.

Mr. O'Leary, in your position you would be in charge of safety, also, would you not, as far as the mines are concerned?

Mr. O'LEARY. Yes; I would, Senator.

Senator FANNIN. Are you familiar with the mine safety regulations, statutes, that were adopted last year?

Mr. O'LEARY. I am not familiar with the recent history of that, inasmuch as I left the Department before that became operative. But I am familiar quite thoroughly with mine safety regulations and statutes that applied prior to my departure from the Department.

Senator FANNIN. Why I ask is because the legislation that was passed most recently did entail completely encompassing of safety not only directly with the mines but even bar pits and with the facilities that are involved in road construction. I was wondering about your opinion or if you have given any thought to the best handling of mine safety or of this task; in other words, whether or not we should not hold to just mine safety and not get off into other avenues such as would be involved in the Bureau of Public Roads activities.

Mr. O'LEARY. Senator Fannin, I simply cannot respond to that at this point. I am unacquainted with the terms of the new legislation and have not had the opportunity to acquaint myself with the problems that are involved in the question that you ask.

Senator FANNIN. I understand that there is quite a problem as far as implementation of this legislation is concerned, implementation of programs that were supposedly going to come forth as a result of this legislation. I think it is quite unrealistic that we can take this overall matter into consideration as far as mine safety is concerned. I hope that you will look into it, because I think it is very serious.

I think we have now assumed an obligation that is not being, I believe, taken care of by the Bureau of Mines, which could properly be taken care of if it were a direct responsibility of the Bureau of Public Roads.

Mr. O'LEARY. I will certainly give very careful attention to that, should I go on to that position, Senator.

Senator ANDERSON. Very frequently we have to ask people what their pension rights are in outside employment. I take it you have been mostly with the Government for a long time. Do you have any pension of any kind?

Mr. O'LEARY. None at all, Mr. Chairman.

Senator ANDERSON. I just want to get the record straight on that. Do you have any questions?

Senator KUCHEL. No questions, Mr. Chairman.

Senator ANDERSON. Thank you.

Mr. O'LEARY. Thank you, Mr. Chairman.

Senator ANDERSON. That concludes the questioning of Mr. O'Leary. Without objection, the committee will turn to other matters.

(Whereupon, the committee turned to the consideration of other business.)